Agreement with Krishnapatnam Port for export by NMDC

4117. SHRI NANDI YELLAIAH: Will the Minister of STEEL be pleased to state:

whether Government of Andhra Pradesh has requested the Central Government to instruct NMDC to enter into a formal agreement with Krishnapatnam Port for export and pick up atleast 26 per cent of equity in both the port as well as Railway's project;

if so, the details in this regard; and

the pattern of tarrif structure proposed by the Krishna Port Company and how it compares with the tariffs of Ennore Company?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) and (b) Yes, Sir. Krishnapatnam Port Company Limited (KPCL) will work for port development. KPCL has not offered equity to NMDC in Port development. Rail Vikas Nigam Limited (RVNL), KPCL & Govt. of Andhra Pradesh have formed "Krishnapatnam Railway Company Limited (KRCL)," a Special Purpose Vehicle (SPV) for the implementation of Obulavaripalle-Krishnapatnam new Railway Line Project and offered 27% equity to NMDC. Board of Directors of NMDC have accorded approval for investment of upto 15% equity at a cost of Rs. 39.92 crore in the SPV.

(c) Krishnapatnam Port Company Ltd. had submitted the Project information repot on 20/6/2005 and indicated that the cargo related tariffs have been assumed at Rs. 110/- per tonne for iron ore, Rs. 150/- per tonne for coal and Rs. 146/- per tonne for other cargo. The vessel related charges have been assumed at US$0,55/T of cargo. The new Railway line via Obulavaripalle is shorter than the existing rail line to ennore by 108 kms. and is shorter by 56 Kms. from the proposed new rail line to Ennore.